

FEDERAL BUREAU OF INVESTIGATION
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FOI/PA# 1175732-1

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In Reply, Please Refer to
File No.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

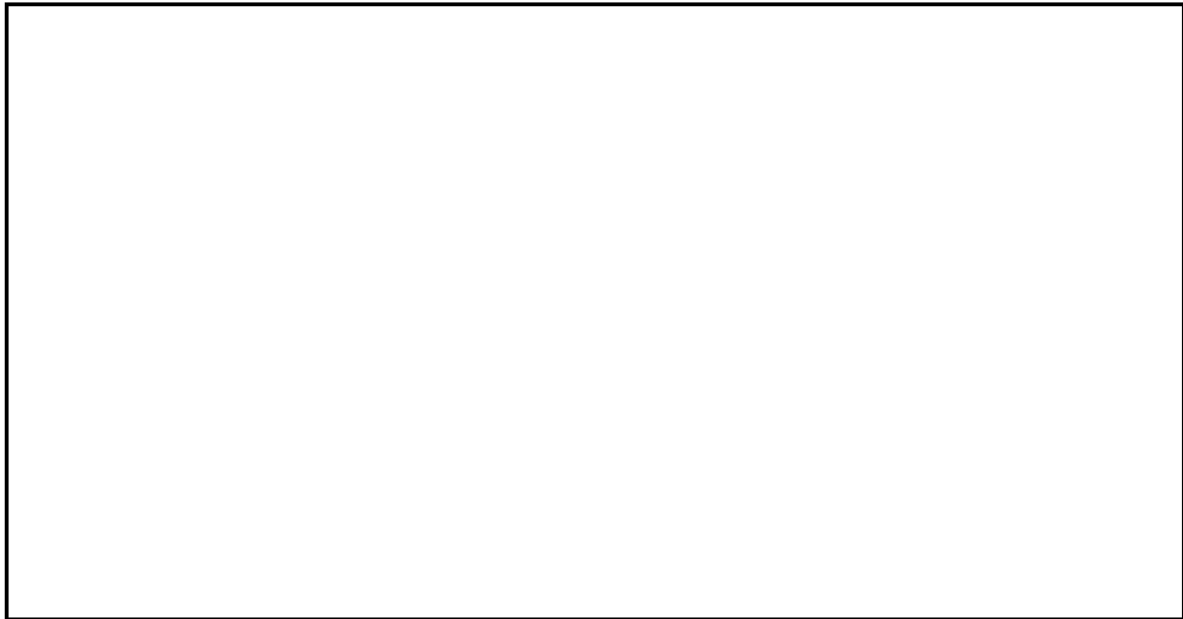
Chicago, Illinois

September 3, 1981

DONALD E. STEPHENS
MAYOR,
VILLAGE OF ROSEMONT, ILLINOIS;
HOBBS ACT - CORRUPTION OF PUBLIC
OFFICIALS

On August 14, 1981, a meeting was held in the
office of Assistant United States Attorney (AUSA) [redacted]
[redacted] Also present were AUSA [redacted] Special
Agent (SA) [redacted] Internal Revenue Service
(IRS), Intelligence Division, Chicago, Illinois, along
with SA [redacted] of the Chicago Office.

b6 per FBI
b7C



b3 per Department of the Treasury

b6

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194-2572-1
ENCLOSURE



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Chicago, Illinois 60604
November 5, 1982

DONALD E. STEPHENS,
MAYOR
VILLAGE OF ROSEMONT, ILLINOIS,
HOBBS ACT - CORRUPTION OF
PUBLIC OFFICIALS;

Recently developed information has revealed that Mayor of Rosemont, Illinois, Donald E. Stephens benefited financially from a condemnation of property within the political jurisdiction he represents as Mayor.

On September 24, 1978, a partnership was formed for the purpose effecting a purchase of a trapezoid piece of property located at 5500 Milton Parkway, Rosemont, Illinois. The partners included [redacted] Construction Company and [redacted]

The property lies adjacent to the Tri-State Tollway and was landlocked insofar as access roads were concerned.

[redacted] obtained a loan for \$80,000, the proceeds of which were used to purchase the partnership share in the above described land purchase as well as other land parcels. [redacted] contributed \$50,000 in connection with the purchase.

[redacted] Title to the property was held by land trust number 4600, maintained at the Parkway Bank and Trust Company, Harwood Heights, Illinois. The purchase price for the land was listed as \$110,000.00.

b3 per Department of the Treasury

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194-2572-3

ENCLOSURE

DONALD E. STEPHENS,
MAYOR.....

The 1979 partnership return also showed [redacted]
[redacted] as partners in the above described partnership.

Metal Impact Company was located at 10450 Lunt, Rosemont, Illinois. In 1978, The Rosemont Horizon Stadium was under construction just across the street. Metal Impact Company was owned by the Rosemont Lunt Properties, a partnership consisting of three to four individuals. These individuals owned the land and building at that location and leased the building to Metal Impact, a separate entity which was engaged in custom metal products involving speciality work. Two of the partners were listed as [redacted]
[redacted].

As construction on the Rosemont Horizon continued, it became evident to the owners of Metal Impact Company that they were going to be forced to move from their Lunt Avenue location. A tunnel from the Horizon was an early Horizon construction phase, leading directly to the Metal Impact Company Plant. Talks of condemnation were evident and in fact a condemnation award amount of \$750,000.00 was suggested. Metal Impact Company was not satisfied with the condemnation award amount and retained attorney Thomas Foran in an effort to assure a fair settlement. At the time of the first condemnation award suggestion, the Rosemont Lunt Properties' partners suggested an employee of Metal Impact speak with Mayor Donald E. Stephens in an effort to assure a satisfactory settlement in the matter. First Name Unknown Bartlett, an employee of Metal Impact spoke with Donald Stephens and Stephens suggested to Bartlett that Metal Impact take the property located at 5500 Milton Parkway, Rosemont, Illinois, and move their business to that location. These talks were allegedly held in the Spring of 1980 and eventually Metal Impact did in fact purchase that property and receive a \$1,050,000.00 condemnation award allowing for the business to be moved to that location. A construction contract was also signed with [redacted] Construction Company for the purpose of building a new plant to house Metal Impact. The construction contract was described as calling for expedite construction to assure the least business interruption to Metal Impact Company. Metal Impact Company purchased the trapezoid parcel of land from the above described partnership for \$350,000.00.

DONALD E. STEPHENS,
MAYOR.....

b6 per FBI
b7C A check, drawn on the Village of Rosemont, in the amount \$350,000.00, was sent to Inter-County Title Company of Illinois, Chicago, Illinois, the escrow agent in the purchase agreement. Closing, and other costs reduced the proceeds to \$255,000.00 which was deposited to the [redacted] Partnership Bank Account, maintained at the First National Bank of Schiller Park, Schiller Park, Illinois. Subsequently, a check, signed by [redacted] was written on this account made payable to Donald E. Stephens, in the amount of approximately \$52,000.

b3 per Department of the Treasury

b6 per FBI
b7C [redacted] an attorney representing [redacted] who handled the closings for land purchase and sales described Stephens as a "finder" and considered the \$52,000.00 as a finder's fee.

Metal Impact spent \$1,750,000.00 for land and building in connection with the relocation process. Thus, Metal Impact invested an additional \$700,000.00 in the new plant used to house their operation. At the present time, a roadway has been constructed to give access to the trapezoid piece of property, now the business address for Metal Impact.

b6 per FBI
b7C The building located at 10450 Lunt has undergone significant renovation, according to a construction contract between [redacted] Construction Company and the Village of Rosemont, which now uses the building as an auxiliary warehouse for the Horizon Stadium.

b6 per FBI
b7C Assistant United States Attorneys [redacted] [redacted] in a November 3, 1982 meeting have issued the opinion of the United States Attorney's Office of the Northern District of Illinois that a Hobbs Act and Mail Fraud case will be prosecuted if the allegations are substantiated.

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FM CHICAGO (194C-4030)

TO DIRECTOR ROUTINE

HOUSTON ROUTINE

BT

UNCLAS

ATTENTION: WHITE COLLAR CRIME SECTION, [REDACTED]

DONALD STEPHENS, MAYOR, ROSEMONT, ILLINOIS, ET AL,

HOBBS ACT - CORRUPTION OF PUBLIC OFFICIALS, OO:CHICAGO.

RE CHICAGO AIRTEL TO HEADQUARTERS, NOVEMBER 5, 1982,
AND CHICAGO TELCALL TO HOUSTON, NOVEMBER 19, 1982.

THIS COMMUNICATION IS BEING SUBMITTED TO REQUEST BUREAU
AUTHORITY FOR TRAVEL OF ONE SPECIAL AGENT TO HOUSTON
DIVISION TO INTERVIEW [REDACTED], A REAL ESTATE
ENTREPRENEUR AND A SUBJECT IN CAPTIONED MATTER.

b6 per FBI
b7C

b6 per Department of Treasury
b7C
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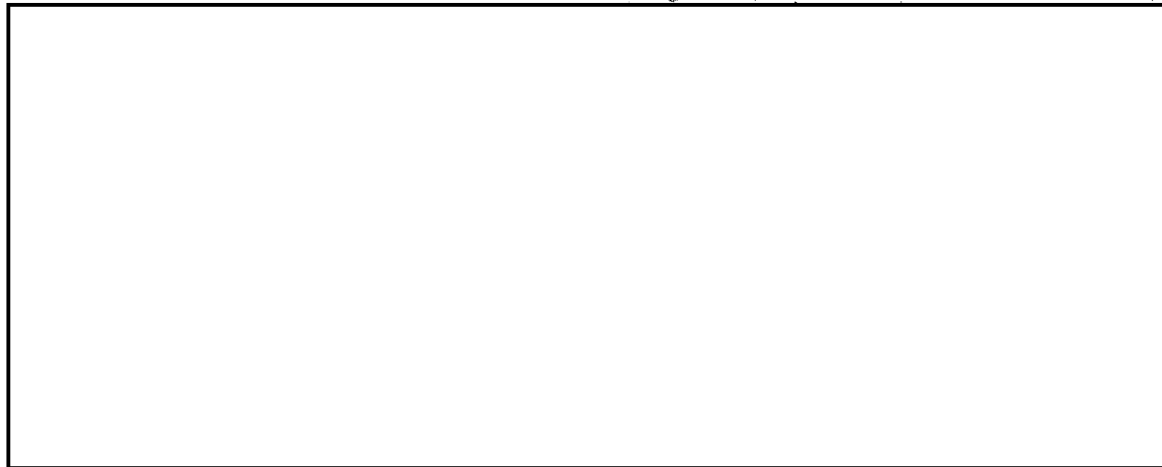
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Adm. Serv.	
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PAGE TWO

CG 194C-403

UNCLAS



AS A PARTNER TO REAL ESTATE TRANSACTIONS INVOLVING PARTNERS WHO HAVE ENGAGED IN KICKBACK SCHEMES WITH MAYOR DONALD STEPHENS AND DEGAN AND ROSATO CONSTRUCTION COMPANY, BERRETTINI POSSESSES VALUABLE KNOWLEDGE. THE O'HARE EXECUTIVE TOWERS PROJECT RECEIVED \$31,000,000.00 FROM THE CITY OF ROSEMONT. MAYOR STEPHENS HAS ALLEGEDLY MANIPULATED CONDEMNATION PROCEEDINGS FOR HIS PERSONAL BENEFIT.

IT IS THE OPINION OF THE UNITED STATES ATTORNEY'S OFFICE OF THE NORTHERN DISTRICT OF ILLINOIS AS ARTICULATED BY AUSA [REDACTED] THAT THE ABOVE DESCRIBED EVENTS CONSTITUTE THE CRIMES OF MAIL FRAUD AND POSSIBLE BRIBERY AS PER UNITED STATES CODE TITLE 18, SECTIONS 1341 AND 201.

b6 per FBI
b7C